Q-33617
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 10-Q

O
92-2267

(Mark One)

X QUARTERLY REPORT PERSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1992

OR

____TRANSITION REPORT PERSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-18764

Microfilmed By Q-Data Corporation St. Petersburg, FL

PULSE BANCORP, INC.

(Exact name of registrant as specified in its charter)

NEW JERSEY	22-3016360
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
6 JACKSON ST., SOUTH RIVER, N.J.	08882
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (908) 257-2400

N/A

Former name, former address and former fiscal year, if changed since last report.

Indicate by check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days

Yes X No _____

The number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date JULY 31, 1992

CLASS	OUTSTANDING
$1.00 par value common stock	1,817,714 Shares

PULSE BANCORP, INC. AND SUBSIDIARY

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PULSE BANCORP, INC. AND SUBSIDIARY
Consolidated Statements of Financial Condition
(Unaudited)

	September 30, 1991	June 30, 1992
ASSETS		
Cash and amounts due from depository institutions.....	$4,965,223	$5,365,194
Interest-bearing deposits in other banks.....	6,000,000	9,300,000
Federal funds sold.....	500,000	500,000
Total cash and cash equivalents.....	11,465,223	15,165,194
Investment securities; approximate market value of $18,538,000 and $34,334,000, respectively.....	18,627,214	34,072,583
Mortgage backed securities, net; approximate market value of $128,942,000 and $132,684,000, respectively	128,025,613	129,243,476
Loans receivable, net.....	226,021,380	210,592,734
Premises & equipment, net.....	1,227,835	1,551,720
Real estate owned, net.....	3,997,000	3,102,251
Federal Home Loan Bank of New York stock, at cost.....	1,968,100	2,534,700
Interest & dividends receivable, net.....	3,743,198	3,565,773
Excess of cost over assets acquired.....	315,000	240,000
Other assets.....	1,239,231	458,452
Total assets.....	$394,629,794	$400,526,883
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits.....	$343,688,134	$359,792,507
Advances from Federal Home Loan Bank of New York.....	10,000,000	-
Advance payments by borrowers for taxes & insurance...	999,752	1,080,105
Other liabilities.....	2,864,559	1,390,260
Total liabilities.....	357,552,445	362,262,872
Stockholders' Equity:		
Preferred stock; authorized 5,000,000 shares; issued and outstanding - none	-	-
Common stock; par value $1.00; authorized 10,000,000 shares; 1,903,264 shares issued and 1,838,264 outstanding and 1,913,714 shares issued and 1,813,714 outstanding , respectively.....	1,903,264	1,913,714
Paid in capital in excess of par value.....	12,457,345	12,530,495
Retained earnings- substantially restricted.....	23,527,990	25,153,552
	37,888,599	39,597,761
Treasury Stock; at cost; 65,000 shares and 100,000 shares respectively.....	(811,250)	(1,333,750)
Total stockholders' equity.....	37,077,349	38,264,011
Total liabilities and stockholders' equity.....	$394,629,794	$400,526,883

See notes to consolidated financial statements.

PULSE BANCORP, INC. AND SUBSIDIARY
Consolidated Statements of Income
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	1991	1992	1991	1992
Interest income:				
Loans	$5,678,336	$5,142,612	$17,427,498	$15,876,572
Mortgage backed securities	1,470,025	2,557,859	3,908,075	$8,013,386
Investments and other interest-earning assets	444,065	615,233	1,468,697	$1,559,805
Total interest income	7,592,426	8,315,504	22,704,270	25,449,763
Interest expense:				
Deposits	4,869,061	4,337,903	14,807,370	$14,317,302
Advances	185,311	-	549,889	$374,577
Total interest expense	5,054,372	4,337,903	15,357,259	14,691,879
Net interest income before provision for loan losses	2,538,054	3,977,601	7,347,011	10,757,884
Provision for loan losses	500,000	600,000	1,100,000	1,800,000
Net interest income after provision for loan losses	2,038,054	3,377,601	6,247,011	8,957,884
Other income (loss):				
Other fees and service charges on loans	11,786	32,734	44,560	83,256
Gain (loss) from sales of investments	-	-	-	(92,426)
Provision for loss on investments	-	-		(100,000)
Gain (loss) from real estate operations	(10,131)	(256,824)	(48,950)	(305,359)
Miscellaneous	49,121	50,526	177,830	172,324
Total other income (loss)	50,776	(173,364)	173,440	(282,205)
Other expenses:				
Salaries and employee benefits	411,330	489,039	1,245,996	1,422,132
Occupancy expense of premises	48,551	63,409	134,121	181,714
Equipment	88,902	103,314	272,730	314,441
Advertising	24,468	28,737	93,772	114,488
Federal insurance premium	154,231	197,758	445,242	559,123
Miscellaneous	162,524	215,601	579,122	766,525
Total other expenses	890,004	1,097,858	2,770,991	3,358,423
Income before income taxes	1,198,826	2,106,379	3,649,460	5,337,256
Income taxes	542,000	909,000	1,537,542	2,347,521
Net income	$656,826	$1,197,379	$2,111,918	$2,989,735
Earnings per common share and common stock equivalents	$0.35	$0.64	$1.11	$1.60
Dividends per share	$0.25	$0.25	$0.75	$0.75
Weighted average number of common shares and common stock equivalents outstanding	1,887,790	1,864,185	1,902,816	1,857,134

See notes to consolidated financial statements.

PULSE BANCORP, INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows

(Unaudited)

	Nine Months Ended June 30,	
	1991	1992
Net cash flows from operating activities:		
Net income	$2,111,918	$2,989,735
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of premises and equipment	99,664	101,617
Amortization of discounts and fees, net	(195,236)	(583,416)
Provision for loan losses	1,100,000	1,800,000
(Increase) decrease in interest & dividends receivable, net	(282,613)	177,425
Decrease in other assets	207,979	780,779
Increase (decrease) in other liabilities	585,907	(1,474,299)
Increase in accrued interest payable	12,367	100,792
Loss on investments	-	192,426
Loss on sale of real estate owned	39,030	262,364
Amortization of intangible	-	75,000
Net cash provided by operating activities	3,679,016	4,422,423
Cash flows from investing activities:		
Proceeds from sales, maturities and repayments of investments	2,624,932	1,366,683
Purchase of investment securities	(1,000,000)	(16,993,125)
Net (increase) in mortgage loans held for sale	-	(798,000)
Net decrease in loans receivable	2,563,248	12,753,702
Mortgage-backed securities purchased	(38,543,790)	(22,740,678)
Mortgage-backed securities repayments	4,440,327	19,474,571
Additions to premises and equipment	(35,261)	(425,502)
Proceeds from sale of real estate owned	161,384	2,925,636
Federal Home Loan Bank of New York stock purchased	(83,100)	(566,600)
Net cash used in investing activities	(29,872,260)	(5,003,313)
Cash flows from financing activities:		
Net change in deposits	23,339,212	16,003,581
Increase in advance payments by borrowers for taxes and insurance	80,998	80,353
Sale of common stock	28,000	83,600
Treasury stock purchased	(616,250)	(522,500)
Repayment of Federal Home Loan Bank of New York advance	-	(10,000,000)
Cash dividends paid	(1,406,204)	(1,364,173)
Net cash provided by financing activities	21,425,756	4,280,861
Net (decrease) increase in cash and cash equivalents	(4,767,488)	3,699,971
Cash and cash equivalents - beginning	14,323,039	11,465,223
Cash and cash equivalents - ending	$9,555,551	$15,165,194
Supplemental schedule of non-cash investing activities:		
Transfer of loans receivable to real estate owned	-	$2,293,251
Cash paid during the period for:		
Income taxes	$1,180,000	$1,843,000
Interest on deposits and borrowings	$15,180,045	$14,696,849

See notes to consolidated financial statements.

PULSE BANCORP, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Pulse Bancorp, Inc. ("the Corporation") and its wholly owned subsidiary Pulawski Savings Bank, ("the Savings Bank"). The Corporation's business is conducted principally through the Savings Bank. All significant intercompany accounts and transactions have been eliminated in consolidation.

2. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements were prepared in accordance with instructions for Form 10-Q and, therefore, do not include information or footnotes necessary for a complete presentation of consolidated financial condition, results of operations, and cash flows in conformity with generally accepted accounting principles. However, all adjustments, consisting of normal recurring accruals, which, in the opinion of management, are necessary for fair presentation of the consolidated financial statements have been included. The results of operations for the nine months ended June 30, 1992 are not necessarily indicative of the results which may be expected for the entire fiscal year.

3. LOANS RECEIVABLE, NET

	September 30, 1991	June 30, 1992
		(Unaudited)
Real Estate Mortgage:		
Conventional	$202,913,782	$192,961,019
FHA Insured	4,542,733	3,922,387
VA guaranteed	10,143,329	8,885,672
	217,599,844	205,769,078
Real estate construction	793,768	381,250
Consumer:		
Home equity lines of credit	6,605,881	8,037,745
Passbook or certificate	992,264	766,831
Student education guaranteed by the State of New Jersey	99,984	33,034
	7,698,129	8,837,610
Commercial	1,008,057	982,222
Total loans	227,099,798	215,950,160
Less: Loans in process	127,000	109,050
Allowance for loan losses	2,821,736	4,208,566
Deferred loan fees and discounts	962,891	1,039,810
	3,911,627	5,357,428
	$223,188,171	$210,592,734

4. EARNINGS PER COMMON SHARE

Earnings per share have been calculated based on the weighted average number of shares outstanding plus the shares that would be outstanding assuming the exercise of dilutive stock options, all of which are considered to be common stock equivalents. The number of shares that would be issued from the exercise of stock options has been reduced by the number of shares that could have been purchased from the proceeds at the average price of the Corporation's common stock.

PULSE BANCORP, INC. AND SUBSIDIARY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Corporation's assets at June 30, 1992 totalled $400.5 million which represents an increase of $5.9 million or 1.49% as compared with September 30, 1991. Total deposits at June 30, 1992 increased $16.1 million or 4.69% as compared with September 30, 1991. Mortgage-backed securities totalled $129.2 million and $126.0 million at June 30, 1992 and September 30, 1991, respectively. Loans receivable amounted to $210.6 million and $226.0 million at June 30, 1992 and September 30, 1991, respectively, which represents a decrease of 6.83%. The decrease in loans receivable is due primarily to loan principal collections exceeding loan originations by approximately $12.8 million during the nine months ended June 30, 1992.

Comparison of Operating Results for the Three Months Ended June 30, 1992 and 1991

Net income increased $541,000 or 82.30% to $1.2 million for the three months ended June 30, 1992 compared with $657,000 for the same 1991 period. The increase in net income during the 1992 period resulted from an increase in total interest income and non-interest income along with a decrease in total interest expense, which more than offset an increase in provision for loan losses, non-interest expenses and income taxes.

Interest income on loans reflected a decrease of $535,000 during the 1992 period when compared with the same 1991 period. The decrease during the 1992 period resulted from a decrease in the average balance of loans outstanding. Interest on mortgage-backed securities increased by $1.1 million during the 1992 period when compared with the 1991 period. The increase during the 1992 period resulted from an increase in the average balance of mortgage-backed securities outstanding which resulted from the purchase of mortgage-backed securities of $22.7 million since September 30, 1991. Interest earned on investments and other interest-earning assets increased to $615,000 during the 1992 period when compared to $444,000 for the same 1991 period. The increase is primarily due to an increase in the average balances of investments and other interest-earning assets outstanding, which was more than sufficient to offset a decrease in the yield earned on investments and other interest-earning assets. The increase in the average balance of investment

securities during the 1992 period resulted from the purchase of investment securities of $17.0 million since September 30, 1991.

Interest expense on deposits reflects a decrease of $531,000 to $4.3 million during the 1992 period when compared with $4.9 million for the 1991 period. Such decrease was attributable to a decrease in the Savings Bank's cost of deposits, which was sufficient to offset an increase in the average balance of deposits outstanding during the 1992 period. The decrease in the Savings Bank's cost of deposits reflects a decrease in general market interest rates paid on deposits. Interest on advances and other borrowed money decreased $185,000 during the 1992 period when compared to the 1991 period. The Savings Bank paid off all its outstanding advances from Federal Home Loan Bank of New York during March 1992.

During the three months ended June 30, 1992 and 1991, the Savings Bank provided $600,000 and $500,000 respectively, as an allowance for loan losses, which was charged to operations. The allowance for loan losses is based on management's evaluation of the risk inherent in its loan portfolio and gives due consideration to changes in general market conditions and in the nature and volume of the Savings Bank's loan activity. At June 30, 1992 and September 30, 1991, the Savings Bank's non-performing loans totalled $8.8 million and $5.5 million respectively. At June 30, 1992, non-performing loans were comprised of $2.3 million of 1-4 family mortgage loans and $6.5 million of commercial real estate mortgage loans. The level of non-performing loans is generally due to the slowdown in the New Jersey economy and surrounding economy, and real estate markets. The allowance for loan losses amounted to $4.2 million and $2.8 million at June 30, 1992 and September 30, 1991, respectively. The Savings Bank intends to continue to provide for loan losses based on its periodic review of the loan portfolio and general market conditions. In the event that the real estate markets and general economies served by the Savings Bank do not improve or continue to decline, the level of the Savings Bank's non-performing loans may increase, particularly in the commercial real estate portfolio of the Savings Bank. To the extent any such increase exceeds the allowance for loan losses, the Savings Bank's results of operations and financial condition may be adversely affected.

Non-interest income decreased from $51,000 during the 1991 period to a loss of $173,000 during the 1992 period. The decline during the 1992 period was primarily the result of an increase in loss from foreclosed real estate totalling

Comparison of Operating Results for the Three Months Ended June 30, 1992 and 1991 (continued)

$247,000 which was partially offset by an increase in other fees and service charges on loans of $21,000 and miscellaneous income of $1,000. The increase, during the 1992 period, in loss from foreclosed real estate resulted primarily from sustaining additional losses on sales of three properties in the amount of $292,000 which was partially offset by the gain on sale of one foreclosed property of $36,000.

Non-interest expenses increased from $890,000 during the 1991 period to $1.1 million during the 1992 period. Salaries and employee benefits, occupancy, equipment, advertising, federal insurance premium and miscellaneous expenses increased by $78,000, $14,000, $14,000, $5,000, $44,000, and $53,000 respectively. Although increased prices and higher volume continue to be reflected in the increases in non-interest expenses, management continues to limit expense items where it has a degree of control.

Income tax expense totalled $909,000 and $542,000 for the three months ended June 30, 1992 and 1991, respectively. The increase in income tax expense primarily resulted from an increase in pre-tax income and the non-deductible provision for loan losses.

Comparison of Operating Results for the Nine Months Ended June 30, 1992 and 1991

Net income increased $878,000 or 41.57% to $3.0 million for the nine months ended June 30, 1992 compared with $2.1 million for the same 1991 period. The increase in net income during the 1992 period resulted from an increase in total interest income and non-interest income, along with a decrease in total interest expense, which more than offset an increase in provision for loan losses, non-interest expenses and income taxes.

Interest income on loans reflected a decrease of $1.6 million during the nine months ended June 30, 1992 when compared with the same 1991 period. The decrease during the 1992 period resulted from a decrease in the average balance of loans outstanding. Interest on mortgage-backed securities increased by $4.2 million during the 1992 period when compared with the 1991 period. The increase during the 1992 period resulted from an increase in the average balance of mortgage-backed securities outstanding which resulted from the purchase of mortgage-backed securities of $22.7 million since September 30, 1991. Interest earned on investments and other interest-earning assets increased to $1.6 million

during the 1992 period when compared to $1.5 million for the same 1991 period. The increase is primarily due to an increase in the average balance of investments and other interest-earning assets outstanding, which was more than sufficient to offset a decrease in the yield earned on investments and other interest-earning assets.

Interest expense on deposits reflects a nominal decrease of $490,000 during the 1992 period when compared with the same 1991 period. Such decrease was attributable to a decrease in the Savings Bank's cost of deposits, which was sufficient to offset an increase in the average balance of deposits outstanding during the 1992 period. The decrease in the Savings Bank's cost of deposits reflects a decrease in general market interest rates paid on deposits. Interest on advances and other borrowed money decreased $175,000 during the 1992 period when compared with the same 1991 period. The Savings Bank paid off all its outstanding advances from Federal Home Loan Bank of New York during March 1992.

During the nine months ended June 30, 1992 and 1991, the Savings Bank provided $1.8 million and $1.1 million respectively, as an allowance for loan losses, which was charged to operations. The allowance for loan losses is based on management's evaluation of the risk inherent in its loan portfolio and gives due consideration to changes in general market conditions and in the nature and volume of the Savings Bank's loan activity. At June 30, 1992 and September 30, 1991, the Savings Bank's non-performing loans totalled $8.8 million and $5.5 million respectively. At June 30, 1992, the non-performing loans were comprised of $2.3 million of 1-4 family mortgage loans and $6.5 million of commercial real estate mortgage loans. The level of non-performing loans is generally due to the slowdown in the New Jersey economy and surrounding economy, and real estate markets. The allowance for loan losses amounted to $4.2 million and $2.8 million at June 30, 1992 and September 30, 1991, respectively. The Savings Bank intends to continue to provide for loan losses based on its periodic review of the loan portfolio and general market conditions. In the event that the real estate markets and general economies served by the Savings Bank do not improve or continue to decline, the level of the Savings Bank's non-performing loans may increase, particularly in the commercial real estate portfolio of the Savings Bank. To the extent any such increase exceeds the allowance for loan losses, the Savings Bank's results of operations and financial condition may be adversely affected.

Comparison of Operating Results for the Nine Months Ended June 30, 1992 and 1991 (continued)

Non-interest income decreased from $173,000 during the 1991 period to a loss of $262,000 during the 1992 period. The decline during the 1992 period was primarily the result of an increase in losses on sales of investments of $92,000, an increase in loss from foreclosed real estate of $256,000 and provision for loss on investment securities of $100,000 along with a decrease in miscellaneous income of $6,000 which was partially offset by an increase in other fees and service charges on loans of $18,000. During the 1992 period, proceeds from sales of investments totalled $908,000 and gross losses of $92,000 were realized. During the 1992 period, provision for loss of $100,000 was made on the security issued by Broadway Bank and Trust which was deemed worthless when they defaulted on interest payments and the bank was taken over by government authorities.

Non-interest expenses increased $587,000 during the 1992 period when compared with the same 1991 period. Salaries and employee benefits, occupancy, equipment, advertising, federal insurance premium and miscellaneous expenses increased by $176,000, $48,000, $41,000, $20,000, $114,000, and $188,000 respectively. Although increased prices and higher volume continue to be reflected in the increases in non-interest expenses, management continues to limit expense items where it has a degree of control.

Income tax expense totalled $2.3 million and $1.5 million for the nine months ended June 30, 1992 and 1991, respectively. The increase in income tax expense primarily resulted from an increase in pre-tax income and the non-deductible provision for loan losses.

Liquidity and Capital Resources

Liquidity is the measure of the Savings Bank's ability to generate sufficient cash flow in order to meet all current and future financial obligations and commitments as they arise. The Savings Bank adjusts its liquidity levels in order to meet funding needs for deposit outflows, payment of real estate taxes from escrow accounts on mortgage loans, repayment of borrowings, when applicable, and loan funding commitments. The Savings Bank also adjusts its liquidity level as appropriate to meet its asset/liability objectives.

The Savings Bank's primary sources of funds are deposits, amortization and prepayments of loan and mortgage-backed securities principal, Federal Home Loan Bank of New York advances, maturities of investment securities and funds provided from operations. While scheduled loan amortization

and maturing investment securities are a relatively predictable source of funds, deposit flow and loan prepayments are greatly influenced by market interest rates, economic conditions and competition. The Savings Bank manages the pricing of its deposits to maintain a steady deposit balance. In addition, the Savings Bank invests its excess funds in federal funds and overnight deposits with the Federal Home Loan Bank of New York, which provides liquidity to meet lending requirements. Federal funds sold and interest-bearing deposits at June 30, 1992 and September 30, 1991 amounted to $9.8 million and $8.5 million, respectively. The Savings Bank's liquidity, represented by cash and cash equivalents, is a product of its operating, investing, and financing activities. These activities are summarized below:

	Nine Months Ended June 30,	
	1991	1992
	(In Thousands)	
Cash and cash equivalents at beginning of period	$14,323	$11,465
Operating activities:		
Net income	2,112	2,990
Adjustments to reconcile net income to net cash provided by operating activities	1,567	1,432
Net cash provided by operating activities	3,679	4,422
Net cash used in investing activities	(29,872)	(5,003)
Net cash provided by financing activities	21,426	4,281
Net increase (decrease) in cash and cash equivalents	(4,767)	3,700
Cash and cash equivalents at end of period	$9,556	$15,165

Cash was generated by operating activities during the nine months ended June 30, 1992 and 1991. The primary source of cash from operating activities during each of the periods was net income. The primary source of investing activity of the Savings Bank during these periods was lending and the purchase of mortgage-backed securities. Net loans amounted to $210.6 million and $226.0 million at June 30, 1992 and September 30, 1991, respectively. Mortgage-backed securities totalled $129.2 million and $126.0 million at June 30, 1992 and September 30, 1991, respectively. In addition to funding

new loan production and the purchase of mortgage-backed securities through operations and financing activities, such activities were funded by principal repayments on existing loans and mortgage-backed securities which totalled $56.4 million during the nine months ended June 30, 1992.

The primary source of financing activities during the 1992 and 1991 periods resulted from an increase in deposits outstanding amounting to $16.0 million and $23.3 million, respectively. Cash dividends paid on the Corporation's common stock, during the nine months ended June 30, 1992 and 1991, amounted to $1.4 million, respectively. During the nine months ended June 30, 1992, the Corporation repurchased an additional 35,000 shares of its common stock for $522,500 in the open market at an average price of $14.92 per share pursuant to the Corporation's stock repurchase program.

Liquidity management is both a daily and long-term function of business management. Excess liquidity is generally invested in short-term investments, such as federal funds and interest-bearing deposits. If the Savings Bank requires funds beyond its ability to generate them internally, borrowing agreements exist with the Federal Home Loan Bank of New York which provide an additional source of funds. At September 30, 1991, advances from FHLB-NY amounted to $10.0 million. Such advances matured and were paid off in March, 1992.

The Savings Bank anticipates that it will have sufficient funds available to meet its current loan commitments. At June 30, 1992, the Savings Bank had outstanding commitments of $3.3 million. Certificates of deposit scheduled to mature in one year or less at June 30, 1992, totalled $190.1 million. Management believes that a substantial portion of such deposits will remain with the Savings Bank.

Both the Corporation and the Savings Bank are subject to regulatory capital requirements mandated by the Board of Governors of the Federal Reserve System ("FRB") and Federal Deposit Insurance Corporation ("FDIC"). Both the Corporation and the Savings Bank are required to maintain minimum regulatory capital requirements, defined by the FRB and FDIC as risk based ratio capital (Tier 1 and Total) and leverage ratio capital. The following table presents the minimum requirement ratios and the actual ratios and the ratios to be applicable to the Corporation and the Savings Bank as of December 31, 1992. (See "Item 5. Other Materially Inportant Events")

	June 30, 1992			December 31, 1992
	Required	Actual	Excess	Required
Risk-based capital:				
Tier 1	3.625%	9.08%	5.455%	4.00%
Total	7.250%	19.35%	12.100%	8.00%
Leverage ratio capital	4.00%	9.55%	5.55%	4.00%

PULSE BANCORP, INC. AND SUBSIDIARY

PART II

ITEM 1. Legal Proceedings

Neither the Corporation nor the Savings Bank was engaged in any legal proceeding of a material nature at June 30, 1992. From time to time, it is a party to legal proceedings in the ordinary course of business wherein it enforces its security interest in loans.

ITEM 2. Changes in Securities

Not applicable.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Submission of Matters to a Vote of Security Holders

Not applicable.

ITEM 5. Other Materially Important Events

On June 25, 1992, Pulse Bancorp, Inc. announced that its wholly owned subsidiary, Pulawski Savings Bank, SLA completed its conversion from a New Jersey savings and loan association charter to a New Jersey savings bank charter. Hereafter, the Savings Bank will operate as a capital stock savings bank under the laws of the State of New Jersey and its title will be "Pulawski Savings Bank". As a result of the charter conversion, all deposits, accounts, loans, and other contracts will remain the same, and the operations of the bank will remain essentially unchanged. By converting to a state savings bank charter, the Savings Bank has reduced the number of regulators to two, reduced expenses associated with regulatory examinations and reduced the amount of, and management time associated with, regulatory complaince.

ITEM 6. Exhibits and Reports on Form 8-K

Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PULSE BANCORP, INC.

Date: 8/6/92

By: _____
George T. Hornyak, Jr.
President
Chief Executive Officer
(Duly Authorized Officer)

Date: 8/6/92

By: _____
Thomas B. Konopacki
Executive Vice President
Chief Financial Officer